



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

September 30, 1999

David Miller, Mine Manager
Lodestar Energy, Inc.
HC 35 Box 370
Helper, Utah 84526

Re: Deficiencies in Response to Division Order 99B, Lodestar Energy Inc., Horizon Mine,
ACT/007/020-DO99B, Folder # 2, Carbon County, Utah

Dear Mr. Miller:

The Division has now completed our review of your August 20, 1999 submittal, which was intended to satisfy the requirements of Division Order 99B. We have determined that the information that was submitted is not adequate. A copy of the Technical Analysis, which details the additional information that is required is enclosed. Please review it carefully to verify the information that is needed. Lodestar Energy Inc., must provide the required information by no later than October 29, 1999.

It should also be noted that your August 20th submittal contains extraneous information (Section 3.5.4, Backfilling and Grading, Sections 3.5.4.1, Removal or Reduction of Highwalls, and Section 3.5.4.3, Fencing and Erosion Control) related to reclamation that has no bearing on the Division Order 99B. This extraneous information, has removed previous reclamation details and vital commitments as contained in the approved Mining and Reclamation Plan (MRP). The commitments and historical information must be replaced or restored as contained in the original MRP.

If you have any questions about the requirements, please call me at (801) 538-5325.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

tm

Enclosure

cc: Vicky Miller (EarthFax)
Price Field Office

O:\007020.HZN\FINAL\do99bdef.ltr.wpd

TECHNICAL ANALYSIS AND FINDINGS FOR RESPONSE TO DIVISION ORDER 99B

Lodestar Energy, Inc.

Horizon Mine

ACT/007/020-99B

September 30, 1999

INTRODUCTION:

The following analysis is specific to the items listed in Division Order 99B issued on May 12, 1999. Items from the order are identified in bold text and are then followed by the analysis of the information which Lodestar provided in response to the order. The Division's findings as to the adequacy of the response follows the analysis.

Order Item #1a

Update the text of the operation plan of the current MRP to accurately describe the coal conveyance system, separation facilities, coal storage areas, coal mine waste handling and storage facilities area, other materials handling and storage areas, snow storage areas and all haulage areas; and to clearly show on a map all the preceding in accordance with R645-301-500.

Analysis:

Several requirements outlined under Order 1a are contained in the amendment: 1) The coal conveyance system and separation facilities are described in Section 3.2.3, Surface Buildings and Structures. Plate 3-1, Surface facilities, shows the conveyor system, the ash analyzer and location of coal piles, with the three coal drop points. 2) The coal storage area is located adjacent to the public road (Plate 3-1) but has been set back several feet to allow the operator room for working the pile. 3) Underground development waste will be disposed of underground within the Horizon Mine. No waste storage facilities are shown on the surface; a permanent waste stockpile will be permitted in the future if it becomes necessary to bring underground waste to the surface. Due to the extensive water intercepted in the mine the mine will need to consider further testing and column leach analyses of underground coal mine waste. This information will not be requested as part of this Division Order since the Permittee is not currently mining and the issue can be addressed during processing of the federal lease area permitting action. However, a spoil storage facility is needed for sediment pond and ditch clean out material. 4) Snow storage locations are shown within the disturbed area designed to report to the sedimentation pond. This location satisfies the requested information for snow storage in the division order.

Plate 3-1, Surface Facilities, had been updated. The plate shows the location of the coal conveyance system, however, it should be noted that the upper part should be deleted(that portion lying in an easterly direction. Further, the exact location must be described in relation to the coal drop points 1 and 2 adjacent to the proposed shop building.

The location of the coal storage areas on Plate 3-1 is confusing. The only the area labeled as coal storage is by the conveyor stacking tube. That area is labeled as coal storage by text and is also shaded. Other areas used for coal storage are shaded but not labeled. The legend does not state what the shading means.

Vicki Miller said, in a conversation with Wayne Western, "That the gray areas were coal storage areas and that the map should be revised to label all coal storage areas." To avoid confusion, the Division wants Permittee to identify what that shaded areas are in the legend.

The text has been updated to show the how those facilities will be operated.

Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Prior to approval, the Permittee must provide the following in accordance with:

R645-301-521.170, The coal conveyance system needs to be amended to reflect its exact location especially in relation to the coal drop points 1 and 2 adjacent to the proposed shop building.

R645-301-521.164 and R645-301-521.190, The Permittee must identify the gray areas on Plate 3-1 as coal storage areas. The Division recommends that the gray shading be identified in the legend.

R645-301-521.165, A spoil storage area needs to be identified for sediment pond and ditch clean out material.

Order Item #1b

Update the text and maps to show the reclamation plans for each of the preceding items if different than the current reclamation plan, or if the current plan does not include the preceding items in 1a in accordance with R645-301-500.

Analysis:

The reclamation plan's Chapter 3 text and map Plate 3-1 have been updated for describing and showing the coal conveyance system, separation facilities, coal storage areas, and snow storage areas.

In Section 3.5.3.2 of the DO response the Permittee states that noncoal waste will be disposed either of in the backfill or in State approved landfill. The Permittee did not state where

the noncoal waste will be place on site or how the requirements of R645-528.332 will be met.

The changes to the reclamation plan in this amendment are not directly related to surface configuration changes due to storage of coal waste. The changes presented in relation to sediment pond removal and interim sediment control measures are not adequate to meet the best management practices/alternate sediment control measures. Since this is not related to this Division order it is recommended the information be submitted in conjunction with permitting the new lease area. Additional detail describing the reclamation sequence and proposed construction activity are necessary before approval can be granted for the proposed alternate sediment control measures. The use of silt fences in the stream channel is not an acceptable ASC/BTCA measure for this site.

Findings:

The applicant did not meet all applicable requirements of the R645 regulations in the submitted amendment. The applicant must provide the following in accordance with:

R645-301-528.332. The Permittee must show the location of those areas where noncoal waste will be disposed of on site. The Permittee must show how the groundwater will be protected from leachate from the noncoal waste. The Permittee must describe the how the material will be placed in the on-site disposal areas.

R645-301-730. Additional detail describing the reclamation sequence specific to the disturbed area, the proposed construction activity and maintenance, are necessary before approval can be granted for the proposed alternate sediment control measures.

Order Item #2

If coal mine waste is to be produced at the Horizon Mine, state the location and volume of temporary and final storage of coal mine waste at the Horizon Mine in accordance with R645-301-500.

Analysis:

The Permittee responded by stating that no coal mine waste would be deposited at the Horizon Mine.

While the Permittee may not bring underground development waste to the surface or process coal, other activities will produce material that must be disposed of in a refuse pile. The Permittee must have a disposal area for material removed from the sediment pond and ditches.

The Permittee states on Page 3-21 of the DO response that underground development waste may be shipped to Sunnyside Cogeneration Associates (Cogen) for disposal. The Division cannot allow coal waste material to be shipped to Cogen until that facility has received approval to accept that material. See R645-301-536.500, the Division must first grant Cogen approval to accept the material. The Permittee does not need Division approval to ship a product to Cogen. A product means material that will be used to generate electricity.

Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Prior to approval, the Permittee must provide the following in accordance with:

R645-301-536: The Permittee must address how material removed during sediment pond and ditch clean out will be disposed. Even if no underground waste is brought to the surface or coal processing waste is generated, some materials must be disposed in a coal waste facility.

R645-301-536.500: The Permittee may not ship coal mine waste to Sunnyside Cogeneration Associates until that facility has been approved by the Division to accept material from the Horizon Mine. Material sent to Cogen for electrical production is considered a product and does not need Division approval. The Permittee should change the wording for disposal of material at Cogen to a product that will be shipped to Cogen.

Order Item #3

Amend the text of Chapter 3 of the Horizon MRP, Section 3.3, P. 3-6 and 3-7, to clarify Horizon's Mining's current MRP designations of "coal", "rocky coal", "high ash coal", "waste rock", and "coal waste materials" as to how they fall under Utah Coal Mining Rules R645 et seq. of "coal", "coal mine waste", "underground development waste", or "coal processing waste". Horizon Mining must further clarify its criteria for underground development waste, specifically referencing a) Mine Safety and Health Administration (MSHA) standards regarding storage of underground development waste in the Horizon Mine workings prior to bringing the waste to the surface, and b) ASTM standards distinguishing high ash coal from underground development waste.

Analysis:

The Permittee no longer refers to material brought to the surface as rocky coal, high ash coal. All material brought out of the mine has been classified as coal by the Permittee. No mine development waste will be brought out of the mine and no coal processing material will be done

on the surface.

Findings:

The Permittee has met the minimum requirements for this section.

Order Item #3a.

Horizon Mining must further clarify its criteria for underground development waste, specifically referencing a) Mine Safety and Health Administration (MSHA) standards regarding storage of underground development waste in the Horizon Mine workings prior to bringing the waste to the surface.

Analysis:

The applicant stated that all underground development waste will not be brought to the surface and will be stored underground.

Findings:

The Permittee has met the minimum requirements for this section.

Order Item # 3b.

Horizon Mining must further clarify its criteria for underground development waste, specifically referencing b) ASTM standards distinguishing high ash coal from underground development waste.

Analysis:

The applicant supplied designations for the terms ASTM standards for coal of differing degrees of quality. A statement is made that Horizon will comply with the definition in R645-100 for coal as defined by the ASTM standards. Appendix 3-10 includes a table with ASTM classifications and their corresponding characteristics for coal and combustible carbonaceous rock

Findings:

The Permittee has met the minimum requirements for this section.